

NEW SOUTH WALES.

BUSINESS STATISTICS - WEEKLY NOTES.

2nd April, 1940.

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This Week's Notes include:-

PART I SEASON - Dry conditions in South and West.

EXPORT PRICES AND OVERSEA TRADE CONDITIONS. Australian export prices steady. U.K. buys Turkish sultanas. Wage increases in U.K.

WOOL - Appraisements proceeding. Trade in U.K.
Purchases by Australian manufacturers.

WHEAT - THE WORLD WHEAT SITUATION.

Australian Production, 1939-40.
World Production and Statistical Position, 1939-40.
Northern Hemisphere prospects, 1940.
World Wheat Shipments - Aug.-Jan., 1939-40.
Disposal of Australian Wheat Surplus (Progress).
Wheat values near season's peak. Prices in
Australia steady.
N.S.W. Flour exports. Dec.-Feb., 1939-40.

BUTTER. Production low except on North Coast.
Intra-state quota, April, 1940.

METALS. Weaker markets in London for tin and copper.

PART II. INTERNATIONAL CURRENCY RELATIONS - Fall of sterling in New York free market. Danes affected by depreciation of sterling.

PART IV. EMPLOYMENT AND UNEMPLOYMENT, N.S.W.

- Number Employed)
- Index of Unemployment) Mid-February, 1940.

MANUFACTURING INDUSTRIES, N.S.W.

- Employment in Factories - Mid-February, 1940.
- 42 Large Factories - Sales, Employment and Wages Paid - January, 1940.

NOTE: There is no Part III this week.

BUSINESS STATISTICS - WEEKLY NOTES- 2nd April,1940.

PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON. March was an exceptionally dry month. Rainfall was negligible except in the north eastern corner of the State. General copious rains are needed to promote growth of winter herbage, to facilitate cultivation for wheat sowing, and to replenish moisture reserves for the forthcoming crop.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS. The index of Australian export prices (Commonwealth Bank) in Australian currency is steady at a level over 20 per cent, above the average for 1938-39. An index compiled by the Commonwealth Statistician (covering prices of 20 commodities constituting about 85 per cent. of all exports) weighted in accordance with quantities sold shows that in January, 1940 the weighted average export price level was 27.6 per cent. higher than in January, 1939. Prices of some of the more important export commodities compare as under:-

Monthly Weighted Averages.	EXPORT PARITIES - AUSTRALIAN CURRENCY.							General Ex- port Price Index x.
	Wool. (Greasy)	Wheat (Shippers' Limits)	Butter. (Choicest Salted)	Sugar. (raw)	Beef. (Crops & hinds)	Lamb. (Av. of 3 quali- ties.)	Lead.	Including Gold.
	d. per lb.	d. per bus.	Sh. per cwt.	£ per ton.	d. per lb.	d. per lb.	£ per ton.	1928-29 = 1000.
1936-37	16.4	60.0	112.5	9.71	3.5	6.9	27.27	975
1937-38	12.8	50.3	134.4	9.57	4.0	7.4	20.00	871
1938-39	10.5	31.1	125.8	9.28	3.7	6.9	17.22	711
Jan., 1939	10.5	29.0	134.0	10.95	3.6	6.4	16.77	707
Aug., "	(10.9)	25.0	123.0	10.70	3.8	6.3	18.33	707
Jan., 1940	13.4	46.5	137.0	11.93	4.2	6.6	19.38	876

✓ Approx. weighted average price of export sales arranged by Wheat Board.

x Weighted according to normal quantities exported.

No important new arrangements for sale of surplus export products have been reported, but those already made cover the principal items. For wheat, disposal of about half the exportable surplus of 1939-40 has yet to be made, but prospects appear to be improving. There will be some addition to export prices by the profit accruing on the sale of raw wool outside the United Kingdom.

Share prices were steady in London last week and tended firmer, with increased turnover, on the New York exchange.

An Allied Maritime Council is mooted to assure that allied shipping is utilized to maximum advantage. Britain's trade with Turkey is expanding, but press messages indicate that the inability of British manufacturers to guarantee early delivery is a difficulty. The Ministry of Food has contracted to buy half of Turkey's production of sultanas, totalling 37,000 tons.

Official figures show that since the war began 10.3 million workers in United Kingdom have secured wage increases aggregating more than £1,500,000 weekly and that the average increase in wages was approximately the same as the recorded increase in the cost of living.

/WOOL.....

PART I. (Continued.)

WOOL. The series of appraisements now in progress in Sydney, to end on April 18, 1940, will conclude the main selling season. There will be appraisements in June covering wool usually auctioned at the season's clearing-up sales.

Prices of tops and yarns are firm in Bradford. Exports of fine tops are said to be substantial, but the export of yarns is restricted as spinners' supplies are insufficient to meet demands.

Important measures to encourage export of woollen finished goods have been announced by the British Wool Control, but details have not been cabled. A trade review states that "there is fresh evidence that neutrals are developing the production of artificial fibres because they are unable to secure raw wool supplies."

This season Australian manufacturers have bought about 154,000 bales of appraised wool at an average price of 13.46d. per lb. (greasy).

The agreed price (13.4375d. (Aust.) per lb.) for the British purchase of the 1939-40 clip compares with average prices realized at auction in recent seasons as under:-

AVERAGE PRICE OF GREASY WOOL IN SYDNEY.

Seasons ended June.

	<u>1926-</u> <u>29.</u>	<u>1931-</u> <u>33.</u>	<u>1936-</u> <u>38.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u> (a)
Pence (Aust.) per lb.	17.2	8.5	14.3	12.7	10.3	13.4

(a) Agreed price under British purchase; subject to addition of one half profit on resale of raw wool outside the United Kingdom.

/ THE WORLD WHEAT SITUATION

PART I. (Continued.)

THE WORLD WHEAT SITUATION.

The Australian 1939-40 harvest. World exportable supplies of wheat are greater than ever before, mainly because of exceptionally heavy production in 1938-39 and 1939-40. Present 1940 prospects in the Northern Hemisphere are relatively poor and the world statistical position seems likely to improve in 1940-41.

About half the Australian 1939-40 exportable surplus has been sold. Wheat prices in world markets are from 30 to 40 per cent. higher than at the outbreak of war and fluctuating near the season's highest level. The local market has been very quiet, and local prices have been unchanged for over three months. Flour exports decreased in February but in Dec.-Feb. were greater this year than in 1938-39.

AUSTRALIAN HARVEST, 1939-40. Official estimates of the several Australian States of the harvest of 1939-40 now total 212 million bushels. This is 57 million bushels greater than that of 1938-39 and 42 m.b. above the average for the ten years ended 1939. Latest estimates for 1939-40 compare with particulars for recent years as under:-

PRODUCTION OF WHEAT - AUSTRALIA.

	N.S.W.	Victoria	S.Aust.	W. Aust.	Other.Ø	Australia.
	Millions of bushels.					
Average 1930-39	55.9	38.4	34.7	35.8	4.6	169.4
1936-37	55.7	42.8	28.7	21.5	2.7	151.4
1937-38	55.1	48.2	43.4	36.2	4.4	187.3
1938-39	59.9	18.1	31.7	36.8	8.9	155.4
1939-40x	76.6	46.0	41.0	41.5	6.9	212.0

Ø Queensland, Tasmania and A.C.T. x. Subject to revision.

WORLD PRODUCTION, 1939-40. Apart from the increase in the Australian estimate the most significant revision affecting the world total is that of the Argentine. The latest official forecast (made in February) was 118 million bushels; the National Bank named 110 m.b., and some Argentine trade authorities think that even this low figure may be too high. The crop is the smallest since 1916, and only a few million bushels above domestic requirements (100-105 m.b.) World production (ex China, Russia, Iran and Iraq) in 1939-40 was apparently approximately 4,186 million bushels - second only to the record harvest of the preceding season (4,504 m.b.).

WORLD PRODUCTION OF WHEAT.

(China, Russia, Iran and Iraq are excluded).

	Europe.	North America.	South America.	Asia.	Africa.	Oceania.	World Total.
	Millions of Bushels.						
Aver. 1923-27	1,244	1,210	277	497	108	143	3,480
1933-37	1,580	901	278	581	133	166	3,639
1936-37	1,481	863	297	603	115	157	3,516
1937-38	1,554	1,073	243	617	129	194	3,810
1938-39	1,829	1,295	400	680	140	160	4,504
1939-40x	1,705	1,256	173	662	170	220	4,186

x. Subject to revision.

Exceptional production in the last two seasons and a decline of about 25 per cent. in world import requirements in comparison with the five years ended 1931-32, have caused a rapid reaccumulation of

/surplus.....

PART I. (Continued.)

surplus exportable stocks of wheat. Stanford Food Research Institute forecasts carry-over stocks in all countries on August 1, 1940 as about the same as in 1933 (1,204 m.b.) Carry-over supplies in exporting countries appear likely to be about 759 million bushels, assuming import demand in 1939-40 at 600 million bushels.

The statistical position may be compared as under:-

WORLD WHEAT STATISTICAL POSITION.

	Season ended 31st July.			
	<u>1934.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940</u> 6
	Millions of bushels.			
World Harvest (Ex Russia, China &c.)	3,805	3,810	4,504	4,186
Exportable Supplies	1,237	714	1,146	1,359x
Net World Imports	629	524	618	(600)
Exportable End-of-Season stocks	609	192	528	(759)x

Subject to review. x. These estimates allow only for normal carry-over in exporting countries. The figures overstate actual exportable supplies - e.g. the U.S.A. will withhold export of some 300 m.b. though the normal carry-over is about 105 m.b.

WHEAT HARVEST PROSPECTS 1940-41. Although wheat supplies in excess of current consumption requirements are greater than ever before, Northern Hemisphere prospects for 1940 harvests suggest that the accumulated stocks may prove opportune. Latest reports from the United States show that of 45 million acres sown with winter wheat some 15 million acres is likely to be abandoned, and prospects for the remainder are very doubtful. Spring wheat areas in the United States and Canada are deficient in subsoil moisture, and these crops must meet exceptionally favourable weather from now on if yields are to approach normal. The United States Dept. of Agriculture expects the 1940 harvest to be the smallest of this century.

In Europe the outlook is also unpropitious. Spring was delayed, then the thaw was followed by frost. Snow was so heavy in some countries that loss from smothering was feared. Flood rains in Rumania and Hungary caused much damage; a trade opinion is that the Balkan countries may have to supplement 1940 production from carry-over stocks to supply domestic requirements in 1940-41. There has been heavy damage to winter wheat in France - a trade report states that 50 per cent. of the crop was lost. Spring sowing was delayed in Central Europe.

Unofficially the Indian harvest is given as about 400 million bushels; this is slightly above the average.

TRADE. Broomhall estimated world shipments of wheat (excluding Australia) in the six months ended January, 1940 as 220 million bushels compared with 240 m.b. and 203 m.b. in the corresponding months of 1938-39 and 1937-38. Of this season's total, North America and Argentina each supplied 87 million bushels. His forecast of world shipments for 1939-40 has been reduced from 584 to 560 million bushels.

No further shipments from the United States are likely as the Government has announced that a carryover of 304 million bushels is to be retained. It is expected officially that Canada will have a carry-over to 1940-41 of 250 million bushels. Despite the huge exportable surplus, the Canadian authorities refused to license export of 4 cargoes sold for Eastern Siberia.

/Following.....

PART I. (Continued.)

Following upon the sale of 63 million bushels to Great Britain no further large scale sales have been reported by the Australian Wheat Board. According to trade reports, however, considerable quantities of Australian wheat have been sold to Greece, France and India.

It has been disclosed that up to March 19, 1940 sales of Australian 1939-40 wheat were 93.35 million bushels, which realized approximately 3s.10d. a bushel, f.o.b., for bagged and 3s.7d. a bushel for bulk wheat. Based on the price fixed for the British Government's purchase the present export value of Australian bulk wheat is about 3s.8½d. a bushel, f.o.b., Australian port.

Approximately 78 million bushels have been sold for export, representing about one-half the exportable surplus. Earlier the Australian Wheat Board reported that disposal of the 1938-39 crop had been completed. The situation with regard to 1939-40 wheat is somewhat as follows:-

	million bus.
Harvest, 1939-40.	212
Required for local consumption, seed, etc.	<u>56</u>
Exportable surplus of 1939-40 crop	156
Sold for export to March 19, 1940.	<u>78</u>
Balance remaining for sale abroad	<u>78</u>

Three months ago a Sydney trader said "Australian wheat should all be wanted provided it can be properly stored and preserved for six, twelve or eighteen months, if necessary." This apparently covers the present outlook; if there is a poor Northern Hemisphere crop, Australia's heavy surplus may well find buyers before the next harvest is garnered.

Shipping remains a major problem and Sir John Simon recently admitted that many considerations other than price and quality influenced the buying policy of the United Kingdom. Political effects are important; purchases may be made wherever neutral ships are available for chartering, but in general, in the interests of conserving foreign exchange, as much wheat as possible would be bought within the Empire.

PRICES. The decline in quotations of wheat futures in Chicago and Winnipeg from the seasonal peak about Dec.18, 1939 was reversed during February, and a new high level was reached toward the end of that month. Subsequent movements have been generally within a few cents per bushel of the season's highest point showing rises of about 40 per cent. in Chicago and 33 per cent. in Winnipeg above the level of Sept.1, 1939.

Prices of Australian wheat in London have held firmly at about 26s. (stg.) per quarter. In London the prices are as fixed by the British Government and therefore are related to the prices paid by the Ministry of Food plus costs of transport from the countries of origin. It should be noted, however, that in the attempt to prevent the cost of living rising unduly, the Government is subsidising bread prices to the extent of £480,000 a week.

In all wheat markets current quotations have lost much of their significance as a guide to immediate trends in world values; Chicago is influenced unduly by local wheat crop prospects; Winnipeg largely reflects trends in Chicago, and London prices are arbitrary. However, it seems likely that values will be maintained, and may rise if the crops now growing should prove as short as they are

/expected.....

PART I. (Continued.)

BUTTER. Dairy instructors report that as a result of the recent rains the dairying outlook on the North Coast and Northern Tablelands is promising for the winter. Elsewhere the almost rainless summer has caused production to contract severely and many dairy farmers are obliged to hand feed their stock.

Dairying conditions are more favourable in other States and the proportion of butter made in New South Wales which may be sold within the State has been fixed for April, 1940 at 47 per cent. This allows a higher proportion for export than in April of any year since 1935. Quotas were:-

PROPORTION OF BUTTER MADE PERMITTED TO BE SOLD WITHIN THE STATE.

Month of April.

<u>1935.</u>	<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940</u>
43%	50%	49%	56%	54%	47%

The local wholesale price of butter is unchanged at 158s.8d. per cwt. The price paid by the British Government for Australian butter under the contract for the season 1939-40 (137s.2d. (Aust.) per cwt.) is 12 per cent. above the average export parity in the three years ended June, 1939 and 10s. per cwt. above the price at the end of March, 1939.

PRICES OF BUTTER IN SYDNEY - EXPORT AND LOCAL.

	Average - Seasons ended June -				At March 30.	
	1929-32.	1933-36.	1937-39.	1939.	1939.	1940.
	Shillings (Australian) per cwt.					
Export Parity	135	88	122	123	127	137(a)
Local Sales	173	134	150	159	159	159

(a) Agreed price for British purchase, 1939-40.

METALS. In London the price of tin eased early in the past week, mainly it is said, because of uncertainty regarding future trade with America under conditions of stricter control of sterling exchange. There was some improvement late in the week. It is stated that buyers are not operating although there are rumours that export quotas may be reduced.

After improving in early March the price of silver in London has declined again and at the end of March was 3d. per oz. less than in November, though still 3.4d. per oz. higher than in July, 1939.

Prices of lead, spelter and copper as fixed by the British Ministry of Supply were unchanged.

PRICES OF METALS - LONDON.
(In English Currency.)

	<u>Silver.</u>	<u>Lead.</u>	<u>Spelter.</u>	<u>Tin.</u>	<u>Copper.</u>
	oz.	ton.	ton.	ton.	(Standard) ton.
	s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Aver. 1936	1 8.1	17 12 6	14 19 10	204 12 8	38 9 7
" 1938	1 7.5	15 5 4	13 19 10	189 12 1	40 15 0
" Jan-Aug. 1939	1 7.4	14 14 2	13 17 5	222 2 0	42 19 10
" Aug., 1939	1 5.7	16 0 10	14 12 7	229 18 9	44 14 6
" Feb., 1940	1 8.9	25 0 0	25 15 0	242 19 8	★
Mar. 29, "	1 8.4	25 0 0	25 15 0	248 5 0	★

✓ Maximum prices fixed by British Ministry of Supply.

★ Standard not available; electrolytic fixed at £62 a ton by British Ministry of Supply.

PART II. INTERNATIONAL CURRENCY RELATIONS.

1931-Sept.	21	Great Britain left Gold Standard.
1933-March	6	United States technically off Gold.
1936-Sept.	26	French franc devalued (about 30%). Tripartite Currency Agreement announced.
1937-July	1	Gold Standard suspended in France.
1938-May	5	Franc devalued and linked to sterling.
1939-Sept.	5	Bk. of England's buying price of gold pegged at £8. 8s. oz.

	London Price of Gold. Per oz. fine.	London on New York.	London on Paris.	New York on London.	New York on Paris.
		£ to \$	Fr. to £	\$ to £	£ to Fr.
	£. s. d. (Sterling).	(Pegged from Sept., 1939). (Open Market)			
Old Parity	4 4 11	4.86	124.2	4.86	3.92
Av. Oct., 1936	7 1 11	4.90	105.1	4.90	4.67
" Sept., 1937	7 0 4	4.95	140.7	4.95	3.52
" Dec., 1938	7 8 10	4.67	177.4	4.67	2.63
" July, 1939	7 8 6	4.68	176.7	4.68	2.65
" Aug., 1939	7 10 6	4.61	176.4	4.61	2.62
" Feb., 1940	8 8 0	4.03	176.6	3.96	2.25
" Mar., "	8 8 0	4.03	176.6	3.75	2.13
March 2, 1940	8 8 0	4.03	176.6	3.93	2.23
" 23, "	8 8 0	4.03	176.6	3.71	2.11
" 30, "	8 8 0	4.03	176.6	3.53	2.06

In London the pegged rates of exchange, sterling for dollars and francs, have been maintained.

On March 27 sterling was quoted in New York as low as \$ 3.45 to £stg., the market closing at \$ 3.48. This is the lowest sterling-dollar rate since April, 1933 when, technically, the United States left the gold standard by placing an embargo on gold exports. Last week's weakness was not due entirely to irresponsible selling as it is reported that several banks were persistent sellers.

London financiers are concerned, not because the unofficial rate has fallen, for that is recognised as a consequence of the recent tightening of exchange control, but because of the erroneous impression which the cheapening of the British pound in the free market has created abroad regarding the financial status of the United Kingdom. In this matter the authorities were obliged to choose between measures conserving the foreign assets of the nation and potential psychological damage to London's future as a world financial centre.

It is reported that because of the depreciation of sterling (now at 18.15 Kroner to £stg. compared K.22.4 before the war) the Danish Government is to subsidise sterling so that the full effects of higher prices of imported fodder and lower returns from exports of products to Britain may not fall upon Danish farmers. Depreciation of sterling against Danish currency is a factor (other than conservation of foreign exchange) rendering advantageous purchase of Empire rather than Danish butter by the British Ministry of Food.

PART IV. INDUSTRIES.

EMPLOYMENT AND UNEMPLOYMENT. Employment has increased rapidly since the war began, primarily as the effect, directly and indirectly, of war expenditure, but also promoted by the improvement in export prices. In the six war months ended February the number of persons employed increased by 27,603 in contrast to a decrease of 1,015 between August, 1939 and February, 1940.

In the middle week of February, 1940 there were 859,400 persons in employment in New South Wales (excluding men on naval or military duty not on private pay sheets). This was 25,850 more than in February, 1939 and 8,050 more than in January, 1940. The increase was mainly in private employment, particularly in factories. The changes in employment over the six and twelve months ended February in this and the preceding two years were:-

INCREASE IN PERSONS IN EMPLOYMENT IN NEW SOUTH WALES.

	In 12 months ended February.			In Six months ended February.		
	In All Employment.	In Private Employment.	In All Factories.	In All Employment.	In Private Employment.	In All Factories
1938	51,686	41,307	15,200	24,985	24,071	7,000
1939	(-)198	(-)1,408	(-)3,600	(-)1,015	(-)1,475	(-)4,900
1940	25,852	23,216	9,200	27,603	26,338	12,600

(-) Denotes decrease.

By industries changes in employment from January to February, 1940 were relatively unimportant.

In recent months employment in factories has far surpassed all previous levels (see next succeeding note) and in most other industries it was appreciably greater than six or twelve months ago. The course of employment in some major industrial groups was:-

PERSONS EMPLOYED IN ESTABLISHMENTS WITH TEN OR MORE EMPLOYEES, N.S.W.

Month	Personal Services (a)	Wholesale & Retail Trade.	Commercial.	Shipping & Road Transport.	Factories & Workshops.	Mines & Quarries.	Other Industries
1938-Feb.	28,442	76,776	26,205	22,606	187,813	20,972	20,402
-Aug.	28,674	76,643	26,303	19,463	189,553	20,990	21,707
1939-Feb.	29,397	78,601	27,193	21,305	185,451	21,349	19,239
-Aug.	29,328	76,673	27,060	20,695	185,731	21,679	20,173
1940-Feb.	30,074	79,276	29,553	21,308	196,101	21,041	18,455

(a) Professional, Hospitals, Religion, Amusements, Hotels etc., Domestic.

The coal strike has already caused dismissals in factories, particularly in heavy industries, and although existing supplies of coal are being reserved in many cases for war production, continuance of the stoppage must mean declining employment and prejudice to our war effort.

Comparative particulars of the number of persons in employment at various dates over the past three years are as follow:-

PART IV (Continued.)

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding Relief Workers and men in the Forces
not on Civil pay Sheets.)

Group.	Number of persons employed in middle week of -					Increase in year ended February.		Increase in August- February.	
	Feb., 1937.	Feb., 1938.	Feb., 1939.	Aug., 1939.	Feb., 1940.	1939.	1940.	1938- 39.	1939- 40.
	000	000	000	000	000	%	%	%	%
All Employment	782.1	833.8	833.6	831.8	859.4	- .02	3.1	- .1	3.3
Private "	643.5	684.8	683.4	680.3	706.6	- .21	3.4	- .2	3.9
All Factories	211.1	226.3	228.1	224.7	237.3	- 1.6	4.0	- .4	5.6
Firms with Ten or more employees.									
Mines	18.6	21.0	21.4	21.7	21.0	1.8	-1.9	1.7	-3.2
Retail Trade	49.5	51.9	53.0	51.3	53.6	2.2	1.1	3.3	4.5
Wholesale Trade	24.3	24.9	25.6	25.4	25.7	2.8	0.4	2.9	1.2
Offices, Commerce	25.3	26.2	27.2	27.1	29.6	3.8	8.8	3.4	9.1

- Denotes decrease.

UNEMPLOYMENT. The number of persons absorbed into employment during the last six months has been substantially greater than the natural increase in employable persons. In consequence, the proportion of unemployment decreased from 7.6 per cent. in August last to 5.6 per cent. in February 1940, contrasting with an increase from 5.8 to 6.7 per cent. over the corresponding period of 1938-39.

Apart from the coal stoppage, the expansion of activities in prosecution of the war appeared likely to reduce unemployment to very small proportions, though a decline in employment in the building industry involves problems of transference. The motor trade, too, has decreased, but artisans in that industry should readily be placed in aircraft construction. The feasibility of expanding shipbuilding in Australia is being investigated.

INDEX OF EMPLOYMENT AND UNEMPLOYMENT - NEW SOUTH WALES.

Middle week of Month.	Proportion of All who are Dependent on and available for employment -			
	(a) Including full-time equivalent of part-time relief workers as employed.		(b) Excluding part-time relief workers from employment.	
	Employed.	Unemployed.	Employed.	Unemployed.
	Per cent.		Per cent.	
1933-June (Census)	74.4	25.6	73.5	26.5
1934-February	78.3	21.7	76.0	24.0
1937- "	92.2	7.8	90.8	9.2
1938- "	96.0	4.0	95.0	5.0
1939-January	93.0	7.0	91.9	8.1
-February	94.4	5.6	93.3	6.7
1940-January	94.4	5.6	93.6	6.4
-February	95.1	4.9	94.4	5.6

/MANUFACTURING.....

PART IV. (Continued.)

MANUFACTURING INDUSTRIES. Employment in factories in New South Wales in February, 1940 was 31 per cent. above the pre-depression peak level and greater than in February of any preceding year. The number of persons employed was approximately 237,300 or 9,200 more than in February, 1939. The increase in February 1940 was relatively small. This was because textile, clothing, industrial metals and certain other classes of factories were busy on war requirements and this year did not experience a seasonal post-Christmas decline of the usual order. Over the six months ended February there was an increase of 12,600 in factory employees. Comparative particulars of employment in all factories over the war months are:-

PERSONS EMPLOYED IN ALL FACTORIES IN NEW SOUTH WALES.

	Number Employed in Middle Week of -						Increase in -		
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Year ended Feb.	6mths ended Feb.	Jan to Feb
	000	000	000	000	000	000	000	000	000
1937-38	221.1	224.0	226.1	228.1	222.3	226.3	15.2	7.0	4.0
1938-39	229.9	230.7	230.8	230.1	223.1	228.1	1.8	-4.9	5.0
1939-40	227.4	232.6	236.7	240.4	235.9	237.3	9.2	12.6	1.4

✓ Subject to revision. - Denotes decrease.

Selecting industries upon which the demands of production for war purposes clearly fall, the preponderant influence of military expenditure in the expansion of factory employment over the past six months is made apparent. In factories with ten or more employees in this group (see table below) employment increased by 8,139 between August, 1939 and February, 1940, whereas, over the corresponding period of 1938-39 employees in these factories decreased by 3,874.

EMPLOYMENT IN CERTAIN FACTORIES WITH TEN OR MORE EMPLOYEES.

Factories making or Processing.	Number of Employees.						Increase Aug. to Feb.	
	Feb., 1937.	Feb., 1938.	Aug., 1938.	Feb., 1939.	Aug., 1939.	Feb., 1940.	1938-39.	1939-40.
Industrial Metals	58,164	64,805	64,579	61,037	61,775	66,037	-3,542	4,262
Chemicals, etc.	6,439	6,763	6,681	7,106	7,235	8,223	425	988
Textiles	11,078	11,430	11,734	11,972	12,020	13,523	238	1,503
Clothing	24,130	24,934	26,018	25,031	24,942	25,628	- 987	686
Skins & Leather	3,215	3,045	3,221	3,213	3,245	3,945	- 8	700
Total	103,026	110,977	112,233	108,359	109,217	117,356	-3,874	8,139

Employment has increased also in food and drink, paper and printing and rubber working factories but has decreased in woodworking and furniture factories.

In January 1940, sales made from 42 large factories were 17.3 per cent. greater in value than in January, 1939. During the five months ended January, products valued at £17.75 million were sold from these factories, compared with £15.78 million and £16.03 million in the corresponding periods of 1938-39 and 1937-38, respectively. In January, 1940 the number of persons employed in this group of factories was 1.7 per cent. greater, and the amount of salaries and wages paid, 5.7 per cent. greater than in January, 1939. Other comparisons are:-

PART IV. (Continued.)

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

All Factories.		Forty-two large Factories.					
February.		Calendar year (Monthly averages)x			Month of January.		
Employment.		Sales.	Employ- ees.	Wages Paid Weekly.	Sales.	Employ- ees.	Wages paid Weekly
Number.	Index No.						
1928-29 =		£000	000	£000	000	000	£000
180,756	100						
1932 141,000 0	78 0	2,070	14.7	53.7	1,822	13.7	49.7
1937 211,100	117	2,773	21.1	77.8	2,616	21.2	78.6
1938 226,300	125	3,081	22.6	88.2	2,761	23.2	89.1
1939 228,100	126	3,155	23.5	96.0	2,738	23.1	95.0
1940 237,300 0 ☆	131 0 ☆	3,262	23.2	96.9	3,212	23.5	100.4

~~0~~ February, 1933. x. Preceding year (except 1932).
 ☆. Subject to revision.